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In Ohio, a New Governor Is Off to a Smooth Start

By **SABRINA TAVERNISE**

In Washington, Congress may still be fighting over the national budget, but in Ohio, where Republicans control the House, the Senate and the governor's office, the budget passage has been about as smooth as a knife through butter.

That is partly because Republicans kept tight party unity, voting together on bills that Democrats say are some of the most conservative the state has ever seen. But the driving force was Ohio's governor, John R. Kasich (pronounced KAY-sik), who has pressed his legislative agenda with remarkable success since his election in November.

On Thursday night, he signed his \$56 billion budget into law, with few major changes from the version he had originally proposed and neatly ahead of a July 1 deadline. On Friday, he held a news conference in Columbus to celebrate.

"We faced our problems and took them on," Mr. Kasich said. "We have now stabilized the state. It is a new way, and it is a new day and, we are delivering."

It was a fireworks finale to a legislative season steered by Mr. Kasich, who is among the closely watched class of new Republican governors in key electoral battle-ground states. His stewardship of the state budget could have outside political implications, influencing the mood of voters and their economic circumstances, which will help set the backdrop for next year's presidential election.

In his five months in office, Mr. Kasich, a former congressman and Lehman Brothers executive, has established himself as a get-things-done governor who has expansive powers and is not afraid to use them.

"Inning after inning, the guy scored every round," said Gene Beaupre, a political science professor at Xavier University in Cincinnati. "I don't see where he lost anything in the budget game."

Mr. Kasich said at the news conference that the budget restored fiscal responsibility to Ohio by closing an \$8 billion budget gap. But his opponents argue that it accomplished that through deep cuts in spending on schools and local governments, which will be hard pressed to make up the difference. It also repeals the estate tax in 2013, which applies to the most affluent Ohioans and is another important revenue source for local governments.

"There are clear winners and losers in this budget," said Wendy Patton, senior associate at Policy Matters Ohio, a liberal economic research group in Columbus. "Wealthy families and businesses benefit. School kids and communities don't."

Michael Leachman, assistant director of the state fiscal project at the Center on Budget and Policy Priorities, said Mr. Kasich's approach was not unlike that of other closely watched Republican governors, like Scott Walker of Wisconsin and Rick Scott of Florida: cutting spending and taxes as a way to increase jobs. The effort, he argued, would harm the economy by reducing consumer spending.

Mr. Kasich argued that the tax cuts were critical in an era when Ohio's economy had been "dying." Avoiding tax increases "is not ideological," he said. "Ohio is not competitive. We wanted to become business-friendly."

Bill Seitz, a Republican state senator from Cincinnati who voted for the budget because he said it advanced many long-overdue changes to, for example, prisons and the administrations of cities and towns, expressed concern that the cuts from local governments amounted to shifting the burden onto towns and cities.

"It's easy to spend other people's money, and that is essentially what this budget does," he said. "Local governments will likely be in a position to ask voters for additional resources. It's pay me now or pay me later."

Senate President Thomas E. Niehaus said in a telephone interview that local governments would soon have fresh revenues from casinos that had been approved by voters, and Mr. Kasich said they would also have savings from public-sector worker salaries and benefits under Senate Bill 5, a law passed this spring that weakens those workers' right to bargain collectively.

But Democrats say that that tool might not be an option, as a campaign is under way to repeal the law, and that, together with the other conservative legislation that has passed, including controversial changes to voting rules and a provision banning public hospitals from performing abortions, the measures might backfire at the polls.

“They are appealing to the most aggressive, energetic, loudest portion of the Republican Party,” said Tim Burke, chairman of the Hamilton County Democratic Party. “I think there is a very real possibility that they will be made to pay for all of that, come next year.”

But Ohio is a swing state, and the real question, Mr. Beaupre said, is how independent voters will react, and that is still too early to predict.

A repeal of Senate Bill 5 “does not necessarily translate into voter behavior in 2012,” he said. “It’s all still squishy at this point.”